

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF TEXAS (HOUSTON)

IN RE: . Case No. 23-90147  
MOUNTAIN EXPRESS OIL COMPANY, . Chapter 11  
et al., . 515 Rusk Street  
Debtor. . Houston, TX 77002  
Debtor. . Tuesday, March 21, 2023  
Debtor. . 6:02 p.m.  
.

TRANSCRIPT OF DEBTORS' EMERGENCY MOTION FOR ENTRY OF INTERIM  
AND FINAL ORDERS (A) AUTHORIZING THE USE OF CASH COLLATERAL,  
(B) PROVIDING ADEQUATE PROTECTION, (C) MODIFYING THE AUTOMATIC  
STAY, AND (D) SCHEDULING A FINAL HEARING [7]  
BEFORE THE HONORABLE DAVID R. JONES  
UNITED STATES BANKRUPTCY COURT JUDGE

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MICHAEL HEALY  
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GEOFFREY RICHARDS  
Raymond James



1                   (Proceedings commence at 6:02 p.m.)

2                   THE COURT: Good evening, everyone. The time is  
3 6:02. Today is March the 21st, 2023. This is the docket for  
4 Houston, Texas.

5                   On what was, I think, originally the 4:30 docket,  
6 with an agreed delay and then further delay that wasn't agreed  
7 to, we have the jointly-administered cases under Case Number  
8 23-90147, Mountain Express Oil Company. And, folks, again, I  
9 understand that your time is extremely valuable. I do  
10 apologize to all of you for your having to wait.

11                  Please make sure that you record your electronic  
12 appearance this evening. That's a quick trick to my website,  
13 couple mouse clicks. You can do that at any time prior to the  
14 conclusion of the hearing.

15                  First time that you do speak, if you would please  
16 state your name and who you represent. That really does help  
17 the court reporter in the event that a transcript request is  
18 made.

19                  We are recording this afternoon using CourtSpeak.  
20 We'll have the audio up on the docket -- probably be tomorrow  
21 morning, realistically because Mr. Alonzo will start to  
22 complain that I'm making him work too hard. So I'll probably  
23 let him do that in the morning.

24                  Give me, folks, just a moment. I had activated --  
25 there was an awful lot of noise early, so I just muted all the

1 lines. Let me get back in. If you know you're going to be  
2 speaking, if you'd go ahead and give me a "five star." You may  
3 already have, I just hadn't seen it yet, but I will in just a  
4 moment. All right. Thank you. Obviously, you can always  
5 change your mind.

6 Mr. Pomerantz, am I starting with you?

7 MR. POMERANTZ: Yes, you are, Your Honor, and I  
8 appreciate Your Honor's willingness to set this for a status  
9 conference. And, of course, there is no apology necessary, and  
10 appreciate you staying late today.

11 In the courtroom -- virtual courtroom with me today  
12 are Mr. Wadud, who's the debtors' co-CEO and co-founder,  
13 Mr. Martin, who is the debtors' chief operating officer,  
14 Michael Healy, who's the debtors' proposed chief restructuring  
15 officer, and also Mr. Richards, who is the debtors' proposed  
16 investment banking officer -- that's a banker, as well as  
17 members of my team.

18 Your Honor, we have used the time wisely over the  
19 last 24 hour, and as it is usually, in the 45 minutes prior to  
20 the originally scheduled hearing, we made the most substantial  
21 progress. It just shows the absence of being on the physical  
22 courthouse steps does not change your ability to settle on the  
23 virtual courthouse steps.

24 So while we are not totally there, I am pleased to  
25 report, Your Honor, that we have been working with the bank

1 group on a proposed four-month debtor-in-possession facility,  
2 which Mr. Healy is comfortable will provide the company with  
3 sufficient liquidity to run a process to maximize value for the  
4 debtors' assets, as well as provide for the administrative  
5 costs to the estate. We're not there yet, and there are still  
6 details to work out, but Mr. Elrod and I and our respective  
7 teams intend to use the rest of this evening and tomorrow to do  
8 that.

9                 It is the hope, but hope springs eternal, that we  
10 would be able to file a DIP motion tomorrow and an order. It  
11 is also possible that that could lag. So one of the things  
12 that I'm going to ask of the Court, if it has time and  
13 availability, is sometime on Thursday. We do have a previously  
14 scheduled hearing, at least we scheduled it initially for the  
15 first-day, before we needed to come to Your Honor yesterday.

16                 THE COURT: Right.

17                 MR. POMERANTZ: I believe it's 3:30 Central. I'm not  
18 sure if that's still available, but we would propose to use  
19 that for our traditional first-day hearing. I'm pleased to  
20 report that today we filed our full suite of first-day motions,  
21 as well as the declaration of Michael Healy, and we think it  
22 would be extremely helpful to not only the Court, but also  
23 sending the message to the marketplace that we have the first-  
24 day hearing tomorrow. Included in those motions was a motion  
25 to pay critical vendors, which is predominantly fuel suppliers.

1 As Your Honor may imagine, over the last couple days since we  
2 filed, we have been on the phone with virtually all of our fuel  
3 suppliers, who are extremely concerned with our ability to have  
4 liquidity, and while yesterday's order was helpful in getting  
5 the spigot turned on, everybody is waiting for that motion to  
6 be heard, as well as another significant constituency in our  
7 case, which is our dealers. We filed a motion to make clear  
8 that we intend to continue operating in the ordinary course  
9 with respect to certain reconciliations of money that we have  
10 that they have a claim to.

11 So while I know it's taking up a lot of Your Court's  
12 -- Your Honor's time and while I know you like to see all our  
13 faces in the video, we would ask if you could keep tomorrow's  
14 hearing and then also if you could give us time for Thursday.  
15 We had been working on a priming DIP facility and have made  
16 progress, but in light of the progress we have made, we are  
17 hopeful to avoid that, although as fiduciaries, we will  
18 continue to have to go on full track until we're able to get  
19 the DIP financing. But I think this is a good day for the  
20 case, and I'm happy to answer any questions Your Honor may  
21 have.

22 THE COURT: So let me -- so your youngster,  
23 Mr. Wallen, is way out in front of you. He's already confirmed  
24 tomorrow. I am sure that you will get your motion assignments  
25 by email later this evening as to which ones you will be

1 responsible for handling, but he'd already taken care of all of  
2 that with Mr. Alonzo. I actually -- over lunch, I've read  
3 through everything. All nicely done, by the way, just very  
4 succinct and to the point. I always appreciate that.

5 You have 3:30. What I'm going to do is I'm going to  
6 make sure that we don't schedule anything after. So you've got  
7 from 3:30, rest of the day. If you can get the DIP done and  
8 get it on file, go ahead and set it for 3:30 tomorrow.

9 In terms of Thursday -- Albert, can I do -- can we  
10 set that in to two o'clock? All right. Mr. Pomerantz, we'll  
11 reserve -- I'm going to say I'll reserve you an hour, and --  
12 maybe longer, but I'll reserve you at least an hour on Thursday  
13 at two o'clock Central. If you get all of this done and you  
14 and Mr. Elrod have signed off on everything and we're going to  
15 hear it tomorrow, if you will let Mr. Alonzo know because I've  
16 got a ton of people asking for time. But if you do need it,  
17 it's your time.

18 MR. POMERANTZ: I appreciate that, Your Honor. We  
19 will do our best, and we will, of course, maintain in close  
20 contact with the Court. And it's good to have Mr. Wallen on my  
21 team because he is the one who helps make the train run, but  
22 also I've told him that in this case, he will have a  
23 substantive role, so don't be surprised to see him possessing  
24 some of the motions tomorrow.

1           THE COURT: Well, I'm going to see -- I'm going to be  
2 curious to see which one he assigns to you.

3           MR. POMERANTZ: He's in charge, Your Honor.

4           THE COURT: Fair enough.

5           All right. Mr. Elrod, no need to make any statement  
6 unless you just want you. You certainly have the option. I'm  
7 just going to assume that you guys are making progress and I'll  
8 either see something tonight or first thing in the morning, and  
9 we'll either have -- we'll have an interim either tomorrow or  
10 Thursday. If that a safe assumption?

11           MR. ELROD: Yes, Your Honor. Thank you. That's --  
12 Mr. Pomerantz's presentations summed up the status nicely. It  
13 is subject to final lender approval.

14           THE COURT: Of course.

15           MR. ELROD: We're going to work hard to get the  
16 documents done as quickly as possible. But nonetheless, there  
17 is work to be done.

18           THE COURT: All right. Is there anything that -- I  
19 know -- I need for a little more time to pass. I want the  
20 professionals working, so, Mr. Healy, I want to make sure  
21 you're comfortable, you've got everything you need, and you're  
22 off and running.

23           MR. HEALY: (Audio interference) Your Honor.

24           THE COURT: Yeah, I think you're there. And he now  
25 knows how to "five star."

1                   MR. HEALY: (Indiscernible), Your Honor.

2                   THE COURT: Yes. Mr. Healy, I can hear you. I just  
3 want to make sure you've got everything you need and you're  
4 moving forward.

5                   MR. HEALY: Yeah, Mr. Elrod and Mr. Pomerantz are  
6 doing a great job guiding us here, and I think we've made  
7 tremendous progress, as Mr. Pomerantz said, on the virtual  
8 court steps.

9                   THE COURT: All right. Terrific. Well, if --  
10 obviously, if things change, I want to know about it, and --  
11 but otherwise, I'm going to assume that you have the helm and  
12 she's headed in the right direction.

13                  MR. HEALY: (Indiscernible).

14                  UNIDENTIFIED: Thank you very much, Your Honor, for  
15 the GPS.

16                  THE COURT: Fair enough. All right. Anything else  
17 that we need to talk about tonight? Again, my apologies for --

18                  MR. POMERANTZ: Not from the debtors, Your Honor.

19                  THE COURT: -- my apologies again for keeping you so  
20 long. I'll see everybody 3:30 Central time tomorrow.

21                  MR. POMERANTZ: Thank you.

22                  THE COURT: All right, thank you. Good night,  
23 everybody.

24                  MR. ELROD: Thank you, Your Honor.

25                  (Proceedings concluded at 6:11 p.m.)



## C E R T I F I C A T I O N

I, Alicia Jarrett, court-approved transcriber, hereby certify that the foregoing is a correct transcript from the official electronic sound recording of the proceedings in the above-entitled matter.

ALICIA JARRETT, AAERT NO. 428

DATE: March 24, 2023

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